North Carolina Utilization Management Guideline for Medicaid

Subject: In Lieu of Service (ILOS) Rapid Care Services for Children and Adults with Mental Illness or Substance Use Disorders

Current Effective Date: 12/01/2026

Status: Active

Last Review Date: 09/24/2026

Blue Cross® and Blue Shield® of North Carolina (Blue Cross NC) | Healthy Blue® Care Together | Medicaid

Description

Rapid Care Services (RCS) is a designated behavioral health crisis service for individuals ages 3 and older with a mental health disorder, substance use disorder (SUD), and/or co-occurring condition. RCS provides short-term, medically supervised assessment, observation, stabilization, and treatment intervention as an alternative to avoidable emergency department (ED), inpatient psychiatric, or detoxification services when clinically appropriate and safe.

RCS may include rapid medical triage; clinical interview; multidisciplinary assessment by clinical, nursing, and/or psychiatric staff; validated screening tools; observation and ongoing monitoring; crisis intervention and behavioral management; medication-related assessment and monitoring when indicated; care coordination; and discharge planning.

Services are delivered in a secure, medically staffed and psychiatrically monitored setting to stabilize the immediate behavioral health crisis, determine the appropriate level of care, and facilitate timely transition to the safest and most appropriate disposition.

RCS is primarily intended for **crisis assessment, stabilization, and diversion from avoidable ED or inpatient utilization** and should not routinely be used as a planned step-down service following an inpatient or other acute level of care.

Clinical Indications

Rapid Care Services serve high-risk populations including:

- Individuals with serious mental illness (SMI)
- Children with serious emotional disturbance (SED)
- Co-occurring MH/SUD conditions
- Individuals with recent crisis service utilization

Rapid Care Services are appropriate for members experiencing a behavioral health crisis who:

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- Require extended observation to determine clinical trajectory or treatment response
- Present with symptoms that may stabilize with short-term intensive intervention
- Do not meet inpatient criteria but require more than brief outpatient stabilization
- Require diagnostic clarification or monitoring of medication response
- May present under involuntary commitment (IVC) for first evaluation

Core services include:

- Rapid triage and crisis assessment, generally initiated within approximately 15 minutes
- Multidisciplinary evaluation (clinical, nursing, psychiatric)
- Observation and monitoring
- Medication management
- Discharge planning and care coordination

Utilization Management: Rapid Care Services do not require prior authorization. Any required discharge notification or encounter submission is administrative and does not constitute prior authorization or continued-stay authorization.

Entrance Criteria

To be eligible for Rapid Care services, the individual must be enrolled in NC Medicaid and the Children and Families Specialty Plan (CFSP), administered by Healthy Blue Care Together, and meet the following service-specific entrance criteria:

At least one of the following criteria must be met:

- The member is experiencing a behavioral health crisis that is expected to decrease in severity with crisis de-escalation, therapeutic intervention, and observation, and the member is medically stable and appropriate for this level of care.
- The member does not clearly require immediate inpatient psychiatric admission at the time of presentation, and additional assessment, observation, or short-term intervention is clinically appropriate to determine the member's response to treatment and most appropriate disposition.
- The member presents with law enforcement under an involuntary commitment (IVC) and requires a first evaluation to determine the appropriate level of care.

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- Available clinical information is insufficient to establish or clarify the member's behavioral health diagnosis, and additional assessment and observation are needed to determine appropriate treatment and disposition.

Continued Stay Criteria

Not applicable. Rapid Care Services are limited to a maximum of 23 hours and 59 minutes per episode. If the member continues to require crisis stabilization or treatment beyond the maximum service duration, the member must be transferred or referred to the clinically appropriate level of

Discharge Criteria

Discharge may occur when any of the following applies:

- The goals of evaluation, observation, and stabilization have been substantially achieved.
- The member no longer meets entrance criteria for Rapid Care Services.
- The member meets criteria for a different level of care, either more or less intensive.
- The maximum allowable length of stay has been reached.
- The member or parent/guardian withdraws consent for treatment and the member does not meet criteria for involuntary treatment.
- The member or legally responsible person agrees with the aftercare plan and the member is appropriate for the recommended follow-up services.
- A medical emergency or need for medical clearance requires transfer to a hospital or emergency department.
- The member requires admission to inpatient psychiatric, medical, detoxification, or another clinically appropriate level of care.

Transfer or discharge to a community hospital or emergency department ends the current Rapid Care Services episode.

A discharge Prior Authorization Request (PAR) should be submitted at the time of discharge; this is for a Notification Only purposes.

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Documentation Requirements

Treatment Plan

A physician and other clinical staff involved in the member's care must establish a written plan of care.

The treatment plan should include:

- Diagnoses, symptoms, presenting concerns, and complications supporting the need for the service.
- Description of the member's current functional status.
- Applicable orders for:
  - Medications
  - Treatment interventions
  - Restorative or rehabilitative services
  - Therapeutic activities
  - Social services
  - Dietary needs
  - Continuing care
  - Discharge planning
- Clinical activities and orders consistent with physician direction.
- Ongoing review and revision by the treatment team as clinically appropriate.

When applicable to the duration of treatment, the physician and other involved clinical staff must review the plan of care in accordance with applicable documentation requirements.

Service Documentation

A full service note meeting the requirements of **APSM 45-2** is required for each contact or intervention on each date of service.

Each service note should include:

- Member's name
- Service record number
- Medicaid identification number, when applicable
- Name of the service provided

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- Date of service
- Place of service
- Type of contact, such as face-to-face, telephone, collateral, or telehealth
- Purpose of the contact as it relates to the treatment plan or identified clinical need
- Description of interventions provided
- Duration of the intervention
- Member's response to treatment and/or progress toward identified goals
- Signature and credentials of the staff member providing the service

Discharge Planning

Discharge and transition planning must begin at admission and continue throughout the Rapid Care Services episode.

Documentation should reflect coordination with the:

- Member
- Parent, guardian, or caregiver, when applicable
- Child and Family Team, when applicable
- Healthy Blue Care Together Care Management
- Current treatment providers
- Other involved supports or agencies

A written discharge plan must be reviewed with the member and included in the clinical record.

Service Exclusions/Limitations

Rapid Care Services are not appropriate when:

- The primary need is solely social, economic, housing-related, family conflict-related, or medical in nature without an identified behavioral health or substance use treatment need.
- The service is being used solely as an alternative to incarceration without a qualifying clinical need.
- The member can be safely and effectively treated at a less restrictive level of care.
- Threats or aggressive behavior are not associated with a diagnosable behavioral health condition.
- The member has a psychiatric, medical, or surgical condition of sufficient severity to require acute inpatient treatment.

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NC-HB-FC-022626-26-GRP6194 November 2026

- The requested service duplicates another service being delivered during the same period.

Rapid Care Services are considered an **all-inclusive service** during the time the member is receiving care. Other services should not be billed concurrently for the same period. Services may be billed on the same date before admission to Rapid Care Services or after discharge, when clinically appropriate and otherwise allowable.

Program Requirements

Program Requirements:
Place of Service: Provider facility

- Services must be available in a 24/7/365 medically supervised setting.
- Staffing must be sufficient to maintain safety, with a minimum staffing ratio of approximately 1:4 and increased staffing when clinically indicated.

The facility must support:

- Continuous observation
- Psychiatric oversight
- Nursing care
- IVC first evaluations when applicable

Based on triage and identified clinical need, members receive:

- Comprehensive crisis assessment
- Observation and ongoing reassessment
- Therapeutic and behavioral interventions
- Disposition and discharge planning

Service Components:

Triage: Promptly evaluate acuity, immediate needs, urgency, and safety risks, including:

- Risk of harm to self/others
- Withdrawal/intoxication
- Medical stability

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Assessment: Complete a multidisciplinary assessment that includes:

- Bio-psycho-social evaluation
- Medical and psychiatric status
- Risk and safety assessment
- Diagnostic clarification
- Level of care determination
- Psychiatric evaluation and an IVC assessment may be completed when clinically indicated.

Intervention: Provide intensive, short-term interventions based on assessed need, including:

- Crisis de-escalation
- Behavioral management (including 1:1 observation if needed)
- Medication management
- Psychoeducation and coping strategies
- Coordination of care and referrals

Observation & Monitoring: Continuously monitor the member's condition to:

- Assess symptoms and response to treatment
- Reassess clinical status over time to determine stabilization, continued intervention, or escalation
- Maintain safety in a structured setting

Disposition and Discharge Planning: Begin at admission and continue throughout the episode. Activities include:

- Referral to appropriate level of care
- Coordination with care management and providers
- Safety planning
- Linkage to community supports

Staffing Requirements

Eligible Provider Information

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Providers must:

- Meet NC Medicaid participation requirements
- Be credentialed and contracted with Healthy Blue Care Together to provide RCS
- Comply with applicable federal, state, NCDHHS, and NC Medicaid requirements
- Maintain all required accreditation, licensure, staffing, and operational infrastructure

Staffing Requirements:

- Board-certified or board-eligible psychiatrist licensed to practice in North Carolina and credentialed through the NC standardized credentialing process
- RN, RNC, or other licensed clinician with current licensure from the applicable North Carolina licensing board
- Licensed or associate-licensed clinician (for example, LCSW, LCMHC/LPC, LMFT, LPA, PhD/PsyD, or RNC) licensed by the applicable North Carolina board and credentialed through the NC standardized credentialing process

Role-Specific Requirements:

- Triage Staff: Qualified Professional, RN, or Peer Support Specialist with timely access to a licensed clinician
- Assessment Staff: Licensed or associate-licensed clinicians qualified to conduct crisis evaluations within their scope of practice
- Intervention Staff: Multidisciplinary team that includes clinical staff and may include peer support specialists
- Medical Staff: Psychiatrist, NP, or PA available for evaluation and medication management, as clinically indicated

All staff must practice within their professional scope and have access to appropriate clinical supervision.

Staff Competencies:

All RCS staff must demonstrate competency in:

- Crisis assessment and risk stratification
- Monitoring and responding to changes in clinical status
- Multidisciplinary communication and collaboration

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NC-HB-FC-022626-26-GRP6194 November 2026

- Distinguishing medical needs from behavioral health needs and identifying when both require intervention
- Community resources, referrals, and transitions of care

Training Requirements:
Staff must complete training appropriate to their role, including:

- Orientation and core competency training
- Crisis response, de-escalation, and safety planning
- Trauma-informed care
- Prevention and management of aggressive behavior
- Medication administration, when applicable to the staff member's role
- Required annual training and competency refreshers

Supervision Requirements:

- Administrative Supervision: Assigned according to the provider's organizational and program structure
- Clinical Supervision: Provided by appropriately licensed professionals in accordance with applicable supervision requirements and agreements

Minimum On-Site Staffing: Rapid Care Services must maintain sufficient staffing to ensure member health and safety. At a minimum, the facility must have a licensed clinician, nurse, and Peer Support Specialist or Qualified Professional on site while Rapid Care Services are being provided, with access to additional clinical and medical staff as clinically necessary. Staffing should generally maintain a minimum staff-to-member ratio of approximately 1:4 and must be increased when necessary based on member acuity, age, need for 1:1 observation, or the simultaneous presence of children and adults.

Coding			
Procedure Code	**Service Description**	**Rate**	**Billing Frequency**
S9480 U5	Rapid Care Services (Low: 1.5 - 6 hrs)	Based on fee schedule or contract	1 unit= 1 day (per diem)

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S9480 HK U5	Rapid Care Services (High: 6-23 hrs)		

Unit of Service: 1 unit = 1 day (per diem), subject to the applicable Rapid Care Services duration requirements.

Discussion/General Information

Anticipated Outcomes:

1. **Immediate Engagement and Safety Stabilization**
   Promptly engage the member, assess immediate risk, and implement interventions necessary to establish and maintain safety.
2. **Comprehensive Clinical Assessment**
   A licensed clinician completes a multidisciplinary, biopsychosocial, trauma-informed assessment. When screening indicates potential substance use concerns, the assessment also evaluates substance use needs.
3. **Medical/Health Screening**
   An LPN or RN completes a health screening and nursing assessment to identify medical concerns and determine whether the member's needs are primarily medical, behavioral health-related, or require coordinated intervention in both areas.
4. **Medication Services**
   Evaluate medication needs and provide medication management when clinically appropriate and within staff scope of practice.
5. **Crisis Stabilization and Escalation of Care**
   Provide focused interventions to reduce and stabilize the immediate crisis. If the member cannot be safely treated at the RCS level, promptly arrange referral or transfer to the appropriate higher level of care.
6. **Comprehensive Discharge and Transition Planning**
   Begin discharge planning at admission under physician direction, preferably a psychiatrist when available. Planning should promote crisis resolution, continuity of care, and timely connection to services that reduce the risk of relapse or future crisis.

Activities include:

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NC-HB-FC-022626-26-GRP6194 November 2026

a. Support participation in recommended follow-up and aftercare services.
b. Identify, involve, and maximize available natural supports.
c. Use person-centered approaches throughout care and transition planning.
d. Prioritize voluntary treatment and informed consent when clinically and legally appropriate.
e. Educate members about available community-based programs, supports, and resources.
f. Communicate the discharge plan to Healthy Blue Care Together Care Management
g. Coordinate with primary care and other physical and behavioral health providers.
h. Obtain appropriate releases, complete referrals, and facilitate information exchange necessary for continuity of care.
i. Provide clear safety planning and post-discharge instructions.
j. Coordinate admission or transfer to a hospital, Facility-Based Crisis (FBC) program, or other enhanced service when indicated.
k. Address barriers such as transportation and housing needs through appropriate referral and coordination.
l. Provide education and connection to medication assistance and Medicaid-related resources, as applicable.
m. Connect members, as clinically indicated, to medical, dental, nutritional/dietary, pastoral, recreational therapy, laboratory, diagnostic, and other necessary services.

Crisis Assessment Expectation
At least 75% of members served are expected to complete the comprehensive crisis assessment and associated interventions described in this service definition. At minimum, the assessment includes evaluation of immediate health and safety concerns, nursing review of potential medical issues, and assessment by a licensed clinician and/or psychiatrist. The clinical assessment determines whether the member can safely return to a community-based setting and identifies appropriate crisis interventions.

Immediate emergency medical referral or discharge Against Medical Advice (AMA) may occur when clinically necessary or chosen by the member. These circumstances are expected to be exceptions rather than the typical course of RCS.

Additional Expected Outcomes and Measures:

Process Measures

- Timely triage and assessment
- Completion of the multidisciplinary evaluation
- Length of stay and service utilization

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Clinical Outcomes

- Stabilization of acute symptoms
- Reduction in avoidable ED utilization and inpatient psychiatric hospitalization
- Successful linkage to clinically appropriate ongoing care

Care Coordination

- Follow-up appointments arranged before discharge when clinically appropriate
- Timely communication with care managers and treating providers
- Referral and connection to appropriate community and social supports

Limitations on Coverage

- Maximum stay is 23 hours and 59 minutes per episode.
- RCS is not intended as a step-down service following inpatient care.
- Members whose needs exceed the RCS level of care must be transferred or referred to an appropriate higher level of care.
- RCS must be medically appropriate for the member's clinical needs and must not duplicate other services or interventions.

Definitions

In Lieu of Services (ILOS): Services or settings that are not covered under the North Carolina Medicaid State Plan but are a medically appropriate, cost-effective alternatives to a State Plan covered service.

Acronyms

ILOS: In Lieu of Services
CCP: Clinical Coverage Policy
EPSDT: Early and Periodic Screening, Diagnostic and Treatment

References

Centers for Medicare & Medicaid Services. (n.d.). *In Lieu of Services and Settings (ILOS).*

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Federal guidance pursuant to 42 C.F.R. § 438.3(e)(2) and 42 C.F.R. § 438.6.NC

NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS), the requirements of 10A N.C.A.C 27G and NC G.S. 122C

DMH/DD/SAS Records Management and Documentation Manual 45-2 (RMDM) Items 1 through 12, under Contents of a Service Note, Chapter 7 of the RMDM.

Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age 42 U.S.C. § 1396d(r) [1905(r) of the Social Security Act].

Websites for Additional Information

NC Tracks Provider Claims and Billing Assistance Guide:
https://www.nctracks.nc.gov/content/public/providers/provider-manuals.html

History

Status	Date	Action
Draft	08/12/2026	Revised
Approved	09/24/2026	Approved by Medical Operation Committee (MOC)

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